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Marine Outlook

Highlights of the Marine Industry

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PORTS IN QUEBEC

Montreal

Increase in handled tonnage

On September 30, 2006, the tonnage handled was 18.7 Mt, 3 % more than in the same period last year. In terms of transshipments of various merchandise, tonnage of containerized cargo increased by 1.6 %. Liquid bulk (oil products and others) registered a tonnage increase of 7.4 %, whereas solid tonnage (wheat, grains and others) dropped slightly by 0.4 %. Between January and September 2006, 1 059 ships passed through the port of Montreal, compared to 1 023 ships during the first three quarters of 2006.[1]

[1] Montreal Port Authority.

Quebec

Increase in handled tonnage

On September 30, 2006, the tonnage handled in the port of Quebec totaled 16.7 Mt, a rise of 5 % compared to the same period last year. This increase is due mainly to the increase in solid bulk and general goods[2], which increased by 19 % compared to the first three quarters last year. As for liquid bulk (petroleum products, chemical products, etc.), there was a drop of 2 %.[3]

From September to October, the port handled nearly 75 000 cruise passengers. This represents nearly twenty ships making about 75 stop-overs in the autumn.[4]

Sept-Îles

No change in handled tonnage

On September 30, 2006, the tonnage handled in the port of Sept-Îles totaled 15.5 Mt, about the same tonnage for the same period last year. During the first three quarters in 2006, 406 ships passed through the port of Sept-Îles, about a dozen fewer than the same period last year.[5]

The port recently began expansion work for the port infrastructure. Estimated at 8.5 M$, this

[2] Solid bulk and general goods category includes among others cereal, manures, minerals and concentrates, metallurgical coke, metal rebuts.
[3] Quebec Port Authority.
[4] Asselin, Pierre, « *Et voguent les navires* », Le Soleil, September 17, 2006.
[5] Sept-Îles Port Authority.

work will enable the port to accommodate larger sized ships and to ensure the inter-modal development of the terminal for short-distance transport.[6]

Sorel

Increase in handled tonnage

On September 30, 2006, total handled tonnage in the port of Sorel was 5.1 Mt, an increase of 50 % compared to the same period last year. The tonnage of metal ingots grew strongly. In traffic terms, 238 ships passed through the port, about fifty more than in the same period last year.[7]

QIT – Fer et Titane will process titanium mineral at Sorel-Tracy from its mine in Madagascar in Africa. To do this, the company will invest 235 M$ in its installations at Sorel-Tracy to increase reduction oven capacity in particular and mineral stockpiling, to add silos and to expand the port infrastructure. The Madagascar project should produce the first tons at the end of 2008, reaching annual production capacity of 750 000 tons between now and 2012.[8]

Havre-Saint-Pierre

Increase in handled tonnage

On September 30, 2006, total handled tonnage at the port of Havre-Saint-Pierre was 3.2 Mt, a rise of 46 % compared to the same period last year. Higher ilmenite cargo explains most of the reason for this increase in tonnage. The port accommodated 170 ships during the first three quarters of 2006. From this number, there were 66 stop-overs from *Nordik Express* for the delivery of general cargo and 103 stop-overs from ships to load onboard ilmenite.[9]

Port-Alfred

Decrease in handled tonnage

ndled

On September 30, 2006, the tonnage hai drop in the port of Port-Alfred totaled 3.1 Mt, a year. of 13 % compared to the same period last ms of Both dry and liquid bulk was down. In ter about traffic, 85 ships passed through the port, last twenty fewer than in the same period year.[10]

Baie-Comeau

Increase in handled tonnage

ndled

On September 30, 2006, the tonnage hai 8 % at Baie-Comeau was 3.1 Mt, a rise of terms compared to the same period last year. In turing of traffic, 163 ships docked at the port d even the first three quarters of 2006, about s fewer than in the same period last year.[11]

iately

To this tonnage must be added approximough 572 000 t of merchandise that transited thr *rges-* the Port of Baie-Comeau via the *Geo* hs of *Alexander-Lebel* during the first nine mont made the year. In terms of traffic, the train ferry n the 344 round trips, about ten fewer than in same period last year.[12]

en 6

Transport Canada plans to invest betwede at and 14 M$ to restore the federal quays icnous Baie-Comeau. The quay is an enorn f the breakwater in such bad condition that one large four sections could be taken away by l out scale tides. Repair work could be carried during the autumn of 2007.[13]

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[6] Beauchamp, Marc, « *Le Saint-Laurent vers une hausse d'achalandage* », Les Affaires, October 21, 2006.
[7] « Detailed report on tonnage handled at harbours and ports in Quebec », Transport Canada, 2005 and 2006.
[8] Picard, Pierre, « *QIT – Fer et Titane joue la carte de la transparence* », Les Affaires, September 16, 2006.
[9] Havre-Saint-Pierre Port Management and Development Authority.

[10] Port-Alfred Port Authority. orts in
[11] « Detailed report on tonnage handled at harbours and p Quebec », Transport Canada, 2005 and 2006. er-rail
[12] « *Rapports des tonnages manutentionnés sur le travers* 5 and *Georges-Alexandre-Lebel* », SOPOR et COGEMA, 200 2006. over le
[13] « *Port de Baie-Comeau – Entre 6 et 14 millions pour rén quai* », Site Web de Radio-Canada, August 7, 2006.

Trois-Rivières

Increase in handled tonnage

On September 30, 2006, the tonnage handled by the Port of Trois-Rivières totaled approximately 1.9 Mt, 12 % more compared to same time period last year. All merchandise experienced a rise in tonnage: wheat and cereals, solid and liquid bulk, general goods. 217 ships docked at the port during the first three quarters of the year, about ten fewer than in the same period last year.[14]

Bécancour

Decrease in handled tonnage

On September 30, 2006, tonnage handled in the port of Bécancour totaled 797 000 t, a decrease of 39 % compared to the same period last year. Besides steel and de-icing salt, the tonnage of all other merchandise decreased. The port welcomed 91 ships, about 10 fewer than in the first three quarters of the year.[15]

Elsewhere, the board of directors of the company Norsk Hydro confirmed it would close its magnesium production plant in Bécancour. In their news release Norsk Hydro stated they would close the factory in 2007.[16]

Gros-Cacouna

Decrease in handled tonnage

On September 30, 2006, the tonnage handled in the Port of Gros-Cacouna totaled 128 000 t, 50 % less than in the first three quarters of 2005. This strong decrease is mainly owing to a drop in tonnages of sand, stone and gravel. The port welcomed a total of 32 ships between January and September, roughly the same number as the same time last year.[17]

[14] Trois-Rivières Port Authority.
[15] Bécancour Port Authority.
[16] « *Norsk-Hydro – L'usine de Bécancour ferme ses portes* », Site Radio-Canada Web site, October 31, 2006.
[17] « Detailed report on tonnage handled in the harbours and ports of Quebec », Transport Canada, 2005 and 2006.

Rimouski

Increase in handled tonnage

On September 30, 2006, total handled tonnage in the port of Rimouski was 226 000 t, 27 % more than the same time in 2005. This increase is mainly due to an increase in the tonnage of de-icing salt, gas and petroleum products. In terms of transit, 51 ships docked at the port, 2 fewer than in the same period last year.[18]

Port-Saguenay

Decrease in handled tonnage

On September 30, 2006, handled tonnage in the port of Port Saguenay was 225 000 t, 6 % less than in the same period of 2005. The port welcomed 35 ships during the first three quarters of 2006, about 7 fewer than in the same period last year.[19]

Matane

Decrease in handled tonnage

On September 30, 2006, total handled tonnage in the port of Matane was 161 000 t, 14 % less than at the same time last year. This drop is mainly explained by the drop in tonnage of timber. In terms of traffic, the port welcomed 26 ships during the first three quarters of 2006, 10 fewer than in the same period last year.

To this tonnage must be added about 572 000 t of merchandise that passed through the port of Matane during the first three quarters of 2006 on the *Georges-Alexandre-Lebel*, 2 % less than in the same period last year. To date in 2006, the train-ferry has made 344 round trips.[20]

[18] Ibid
[19] Port Authority of Port-Saguenay
[20] « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2005 and 2006.

Portneuf

Decrease in handled tonnage

On September 30, 2006, handled tonnage in the port of Portneuf totaled 87 000 t, 19 % less than in the same period last year. This drop is due to a decrease in the tonnages of salt, stone and gravel. In transit terms, the port welcomed 6 ships during the first three quarters of the year. [21]

SUMMARY OF THE FIRST THREE QUARTERS 2006

Estimation and Comparison of the Tonnages Handled at the Main Ports of Quebec During the First Three Quarters of 2006 and 2005

List of ports	2006 jan-sept	2005 jan-sept	Variation [22] 2006 / 2005
1. Montréal	18.7 Mt	18.2 Mt	+ 2.8 %
2. Québec	16.7 Mt	16.0 Mt	+ 5 %
3. Sept-Îles	15.4 Mt	15.5 Mt	- 0.3 %
4. Port-Cartier	N.D.	N.D.	—
5. Sorel	5.1 Mt	3.5 Mt	+ 50 %
6. Havre-Saint-Pierre	3.2 Mt	2.2 Mt	+ 46 %
7. Port-Alfred	3.1 Mt	3.5 Mt	- 13 %
8. Baie-Comeau [23]	3.1 Mt	2.9 Mt	+ 8 %
9 Trois-Rivières	1.9 Mt	1.7 Mt	+ 12 %
10. Bécancour	727 kt	1.3 Mt	- 39 %
11. Gros-Cacouna	128 kt	242 kt	- 50 %
12. Rimouski	226 kt	178 kt	+ 27 %
13. Port-Saguenay	225 kt	240 kt	- 6 %
14. Matane [23]	161 kt	187 kt	- 14 %
15. Portneuf	87 kt	108 kt	- 19 %
16. Gaspé	63 kt	56 kt	+ 13 %
17. Pointe-au-Pic	57 kt	59 kt	- 4 %
Total (without Port-Cartier)	**68.9 Mt**	**65.9 Mt**	**+ 5 %**

Source : Port Authorities and Transport Canada
Compilation : DRPE, Fisheries and Oceans Canada, Quebec region

[21] « Detailed report on the tonnage handled in the harbours and ports of Quebec », Transport Canada, 2005 and 2006.

Gaspé

Increase in handled tonnage

On September 30, 2006, tonnage handled in the port of Gaspé totaled 63 000 t, 13 % more than in the same period last year. This increase is explained by an increase in the tonnage of de-icing salt, and petroleum products. The port welcomed 16 ships, 6 more than during the same period last year. [24]

Pointe-au-Pic

Decrease in handled tonnage

On September 30, 2006, tonnage handled in the port of Pointe-au-Pic totaled 57 000 t, 4 % less than in the same period last year. This decrease can be completely explained away by the drop in tonnage of newsprint. The number of ships passing through the port dropped to 10 ships, 9 fewer than in the same period last year. [25]

PORTS IN EASTERN CANADA

Port of Saint John (N.-B.)

Decrease in handled tonnage

On September 30, 2006, tonnage handled in the port of Saint John totaled 19.2 Mt, 7 % less than in the same period last year. Tonnage of containerized merchandise increased by barely 1% during the first three quarters of 2006. Increases in tonnage of 20 % for dry bulk and 65 % for various merchandise did not offset the

[22] Variations in tonnages are calculated using non-rounded data on handled tonnages.
[23] These data do not include the tonnage transiting the ports of Baie-Comeau and Matane on the train-ferry *Georges-Alexandre-Lebel*.
[24] Ibid.
[25] « Detailed report on the tonnage handled in the harbours and ports of Quebec ». Transports Canada, 2005 and 2006.

drops in tonnage of liquid bulk (-9 %), forest products (-97 %) and containers (-13 %).[26]

Halifax

Slight increase in handled tonnage

On September 30, 2006, tonnage handled in the port of Halifax totaled 10.2 Mt, 1 % more than in the same period last year. Tonnage of containerized goods increased by barely 1 % during the first three quarters of 2006. Tonnages of bulk and cargo Ro/Ro also increased by 2 % and 27 %, respectively. The tonnage of various cargos did decrease significantly by 61 %.[27]

SEAWAY

Increase in total cargo and traffic on the seaway

During the first three quarters of the year, the Seaway welcomed about 3 200 ships, a rise of 10 % compared to last year. In parallel, there was an increase in tonnage during the same period. Ships passing through the Seaway transported 31.9 Mt, 12 % more compared to the same period last year. Shipments of grains and steel products continue to record solid gains this year. The Great Lakes/St Lawrence Seaway System projects that 2006 will produce the best results since the end of the 1990s, both for cargo and transit.[28]

The Seaway authorities also plan to attract new shippers into the network over the next few years. The current locks and canals on the Seaway are operating at about 60 % of capacity, so that they could easily accommodate nearly double the current volume.[29]

[26] Saint John Port Authority (New Brunswick).
[27] « Year-to-Date Statistics – 2006 », Port of Halifax Web site.
[28] « Seaway continues to attract new cargoes as innovative program gains momentum », Great Lakes /St Lawrence Seaway System, October 13, 2006.
[29] Ibid

MARINE SECURITY

Investments in marine security

In November, Transport Canada announced the sites and projects it selected in the context of the Marine Security Contribution Program's third round of funding. This program will have a total budget of 115 M$, announced in May 2005.

This third funding round will contribute 42 M$ to 101 ports and marine installations throughout the country. Of this amount, 10.1 M$ will be allocated to 20 ports and maritime companies in Quebec : Alcoa (Baie-Comeau), *Société du parc industriel et portuaire de Bécancour*, *Administration portuaire du Saguenay – Terminal maritime de Grande-Anse* (La Baie), *Administration portuaire de Montréal* – Cité-du-Havre, Logistec Arrimage Inc. (Montréal), *Remorqueurs et Barges Montréal* Ltée, Shell Canada Products (Montréal), Terminal Norcan Inc. (Montréal), Terminaux Montréal Gateway – Terminal Racine, Vopak Terminals of Canada Inc. (Montréal), *La Compagnie minière Québec-Cartier* (port-Cartier), *Administration portuaire de Québec*, *Bunge du Canada Ltée* (Québec), *Compagnie d'arrimage de Québec Ltée* – Secteur Anse-au-Foulon, IMTT-Québec Inc., *Administration portuaire de Sept-îles*, *Compagnie minière IOC* (Sept-Îles), Hydro-Quebec – *Centrale thermique Tracy* (Sorel-Tracy), *Administration portuaire de Trois-Rivières*, Prommel Inc. (Trois-Rivières).

Let us remember that the funds allocated will be used to improve security, notably to install surveillance equipment, to improve port security and the perimeter, to obtain monitoring and communication equipment and to provide employee training.[30]

Creation of a North American Marine Security Centre

The *Institut maritime du Québec* (Rimouski) finally reached an agreement with the Marine

[30] « Canada's new government invests 42 million dollars for marine security projects across the country », News release, Transport Canada, November 16, 2006.

University of New-York to
College of the State lan Marine Security Centre
set up a North Americae next four years. The
in Rimouski within thd to research and training
centre will be dedicatee negotiations are underway
for marine security. Nartner in the project. The
to enlist a Mexican p*urgence en mer* in Saint-
*Centre de mesures d'*n the project. The facilities
Romuald may also joinay well be useful for
at Saint-Romuald mn preventing acts of
practical training o
terrorism.[31]

The port of Montreal i invests considerably in marine security

has invested about 10
The port of Montrealrity facilities and plans to
million dollars in secur 10 M$ and 15 M$ over
invest between anothe be equipped with the
the next five years t ote that since 2001,
latest technology. Nd 10 billion $ to national
Canada has committe0 M$ for various marine
security, including 93(
security initiatives.[32]

WORLD MAR INE TRANSPORTA TION

e canal expansion *en* Panamanians approv *masse*

d the expansion plan for
Panamanians approved presented by the
the Panama Canabus project costing more
government, an ambitiides the expansion of the
than $US 5 billion. Besilans to build a third
canal, the project pl ships 386 metres long
navigation way so thand 15 metres ship draft
and 49 metres wide aports of the Pacific and
can pass through the the canal will be able to
Atlantic. From now on, w generation of mega-
accommodate the nev

évoit créer un centre de sécurité
[31] Duhamel, Alain, « *Rimouski pr* ber 30, 2006; « *Création d'un*
maritime », Les Affaires, Septem *maritime* », Radio-Canada Web
centre nord-américain en sûreté
site, 4 October, 2006. *maritime sous haute*
[32] Duhamel, Alain, « *Le transport* ust 19, 2006.
surveillance », Les Affaires, Aug

cargo ships that are too wide to pass through the canal at present.[33]

Maersk Line launches the first mega container-holders

The Maersk Line company recently introduced two RoRo container ships onto the market with a capacity of 11 000 containers (TEU), making them the largest ships in the world. The company claims these ships are the next generation combing cutting edge technology and environmental protection norms. As an example, the silicon paint on the ship hull under the floating line will offer less water resistance and thus reduce fuel consumption by 1 200 t per year.[34]

MARINE TRANSPORT IN ATLANTIC CANADA

The *Atlantica* trade corridor project is a cause of concern in Quebec business circles

The project for the *Atlantica* trade corridor in the north-east of North America is a cause of concern in Quebec business circles as it could re-route considerable cargo tonnage currently entering the continent via Quebec.

This project aims at creating a new passage along the east-west axis, directly linking the ports of Halifax and Buffalo. It also projects the building of new sections of railway/highway in a zone grouping together the Atlantic provinces (Nova Scotia and New Brunswick) and four American states (Maine, New Hampshire, Vermont and New-York) and the south-east of Quebec. The two main objectives of the project as to increase the integration of the Atlantic provinces into the North American economy and to make the port of Halifax one of the only unloading points on the North American east

[33] Agence France-Presse et Associated Press, « *Oui massif à un canal de Panama plus large* », Le Soleil, October 23, 2006.
[34] « Maersk Line introduces 11,000-TEU vessels », Canadian Sailings, October 16, 2006.

cost for the Ro/Ro container ships with a capacity of 11 000 containers and more.[35]

MARINE TRANSPORT IN QUEBEC

Quebec cabotage at the service of cabotage with the United States

According to a recent study of maritime innovation, the most promising outlook for short-distance sea transport in Quebec will come more from trade with the United States than from traffic with other regions from Canada. The study emphasizes that trade between Quebec and the eastern seaboard of the United States has the best profitability potential. The ships will in particular be able to export cargoes of forest products, aluminium and peat, and in return, import recycling paper, fruits and vegetables.[36]

Investments from Economic Development Canada to support Quebec Regions

Last September, the Minister of Economic Development Canada (EDC), Jean-Pierre Blackburn, announced a pilot measure to build and improve collective economic infrastructure. Accompanied by financing of 30 M$, this new measure aims at revitalizing the economy and at offering new prospects for economic diversification in Quebec regions with low economic growth : Abitibi-Témiscamingue, the Lower St Lawrence, the North Shore, Gaspésie / Magdalen Islands, Mauricie, Northern Quebec, Lac-Saint-Jean.

In the news release announcing the investments, the minister quotes the example of the port of Sept-îles: « The expansion of the port of Sept-îles is indeed an example of the type of project we wish to support with this new measure ». This CED program aims at encouraging economic diversification in the regions and communities with low economic growth.[37]

ENVIRONMENT

Concerns about collisions between marine mammals and vessels

The Research and Education Group on Marine mammals in Tadoussac is concerned about the number of collisions between vessels and marine mammals. The researchers, grouped under the auspices of the Quebec Marine Mammal Emergency Response Network, are trying to find a way of diminishing the impact of marine patronage on marine mammals. The displacement of the maritime corridor outside certain sensitive zones is one idea envisaged by the research group.[38]

COMMODITIES

Iron ore

Increase in Quebec production of iron ore

The most recent statistics on iron production in Quebec show production of about 9.1 Mt in the first eight months of the year, 42 % more than during the same period last year. The world iron market is in good health and remains strongly influenced by the strong demand from China for industrial metals and ores. In parallel, ore rates are increasing. Against this background, the three Quebec mining groups increased their ore shipments.[39]

A Chinese import-export company is ready to invest nearly 150 M$ to acquire iron ore from old deposits from the company Iron Ore du Canada in Schefferville. An agreement has been reached between the Grand Overseas

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[35] Normand, François, *« Le projet de corridor commercial Atlantica menacerait le Québec »*, Les Affaires, October 14, 2006.
[36] Duhamel, Alain, *« L'avenir du cabotage passe par les États-Unis »*, Les Affaires, September 16, 2006.
[37] « Canada Economic Development invests 30 million dollars to support the regions », Canada Economic Development, September 27, 2006.
[38] *« Mammifères marins – Des collisions préoccupantes »*, Radio-Canada Web site, August 29, 2006.
[39] « Production of the main ores in Canada », Natural Resources Canada, August 2006.

Economics Development of Beijing in China and two prospectors with the operating rights to the old mines of IOC. As from 2008, the ore from Schefferville could be loaded in the Pointe-Noire sector in Sept-Îles for shipping to China.[40]

The Raglan mine in northern Quebec is in the process of becoming one of the most important nickel sources in the world. Falconbridge announced investments of 540 M$ to prolong the mine's lifespan and increase production. Note that the nickel extracted from the Raglan mine is transshipped to the port of Baie-Déception to be subsequently onward shipped to the port of Quebec City.[41]

Wheat

Strong anticipated increase in Canadian wheat exports

According to Agriculture and Agri-Food Canada, Canadian production of grains and oilseeds in 2006-2007 should decrease by 1 % compared to 2005-2006. In western Canada, production reached 46.3 Mt, 9 % less that in the same period last year. In eastern Canada, production reached 16 Mt, slightly more than in the previous year. Exports should increase by 9 % owing to strong anticipated growth in wheat exports due to the improved quality of the wheat, to record production in Ontario and to weaker competition on international markets.[42]

Aluminium

Increase in Canadian aluminium production

The most recent statistics of Canadian aluminium production show production of 2.1 Mt in the first eight months of 2006, an increase of 8 % compared to the same period last year. World aluminium demand remains very strong and everything leads to believe that this situation should continue over the next few years.[43]

Alcoa plans to invest about 200 M$ in its aluminium plant in Baie-Comeau between now and 2011, in order to modify certain procedures and reduce polluting emissions. Of the 200 M$, about 125 M$ will be used to change the energy feed to the Soderberg tanks, 50 M$ to renovate the smelter and 25 M$ to repair the company platform.[44]

Lumber

Hard times for the Quebec lumber industry

The Canadian/American conflict on lumber, world competition, the rise in the Canadian dollar compared to the American currency – these are all reasons that have convinced several Quebec sawmills to stop production either definitively or temporarily in recent months. According to the Quebec Forest Industry Council (QFIC), about 93 sawmills out of 262 in Quebec at the beginning of 2005 have closed down in 18 months, including 20 indefinitely.[45] Against this background, Quebec shipments of lumber, especially marine shipments, will almost certainly decrease.

Newsprint

Difficult times ahead for the pulp and paper industry

Problems in the Quebec lumber industry can also worsen the situation in the pulp and paper industry, already affected by a very difficult national and international conjuncture. Sawmill chips, sub products of lumber production, are the only fiber supply source for most pulp and paper plants in Quebec. Thus sawmill closure could reduce chip supplies substantially, thus

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[40] *« Des Chinois seraient intéressés à investir 150 M$ pour le mineral de Schefferville »*, TVA Web site, November 9, 2006.
[41] Riverin, François, *« Falconbridge investit 540 M$ dans la mine Raglan »*, Les Affaires, August 19, 2006.
[42] « Canada : grains and oilseeds outlook », Agriculture and Agri-Food Canada, bulletin of October 12, 2006.
[43] « Production of the main minerals in Canada », Natural Resources Canada, August 2006.
[44] Paradis, Steve, *« D'ici 2011, Alcoa prévoit investir au moins 200 M$ à Baie-Comeau »*, Les Affaires, October 25, 2006.
[45] Riverin, François, *« L'industrie du papier écopera des fermetures de scieries »*, Les Affaires, October 21, 2006.

raising prices unless the paper plants also choose to scale back production.[46]

FERRIES

The Rimouski-Forestville crossing could be suspended for a year.

The shuttle projects between Paspébiac and Caraquet in New Brunswick will require investments of 800 000 $. If the project comes about, the *CNM Évolution* catamaran, which does the crossings at present between Rimouski and Forestville, will be used as from 2008. The towns of Rimouski and Forestville would thus be deprived of the crossing service for one year, the time to build a new larger catamaran able to cope with the river's waves.[47]

Maritime link project between Gaspé, the Anticosti Island and the North Shore

Gaspé and the North Shore are looking to the new Vauréal Park on the Anticosti Island to revive government interest in setting up a maritime link between Gaspé, the Anticosti Island and the North Shore. This inter-shore link would highlight the new park. The new maritime link envisaged would require investments of about 23 M$ to buy the ship, plan out the welcoming structure on the island and to build the port access ramps in Havre-Saint-Pierre, Port-Menier and Grande-Vallée[48]

The *Trans-Saint-Laurent* ferry reaches the bottom

During a crossing last September, the *Trans-Saint-Laurent* ferry, which links Saint-Siméon with Rivière-du-Loup, skimmed the bottom when passing the western point of the Île-aux-Lièvres. Given that the impact zone is made up of rock, the authorities chose to re-route the ferry to avoid the area, which makes the crossing thirty minutes longer. The incident happened at the time of year when tides are lowest, which could explain the problem experienced by the *Trans-Saint-Laurent*.[49]

Hopes of re-launching the crossing Trois-Pistoles / Les Escoumins

Transport Canada has put its port divestment program temporarily on hold. A good piece of news for the municipality of Les Escoumins, which is waiting to have the wharves repaired so that the *Héritage 2* ferry can operate once more after being in dock for the last two years. From here to 30 March, Transport Canada will review three divestiture files: Les Escoumins, Pointe-au-Pic and Sorel.[50]

CRUISES/TOURS

Christmas cruises on the Saint Lawrence

For the first year, *Croisières AML* will celebrate the festive season on the St Lawrence River in Quebec, from the 24 November onwards. For groups, these animated evenings onboard the *Louis-Jolliet* will revolve around the theme of tropical Christmas and Christmas on the open sea. For several years already, *Croisières AML* has offered activities linked to the festive season onboard the *Cavalier Maxim*, docked in the Old Port of Montreal.[51]

INTERNATIONAL CRUISES

First stop-overs in Saguenay

The town of Saguenay welcomed eleven cruise ships during September and October. About 22 000 passengers and crew members landed in the region. The town of Saguenay estimates that the stop-over of the liners generated economic knock-on effects of about 1 M$.

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[46] Riverin, François, « *L'industrie du papier écopera des fermetures de scieries* », Les Affaires, October 21, 2006.
[47] « *La traverse Rimouski / Forestville pourrait être suspendue pendant un an en 2008* », TVA Web site, August 18, 2006.
[48] « *Lien maritime – La Gaspésie et la Côte-Nord relancent les démarches* », Radio-Canada Web site, September 5, 2006.
[49] Larouche, Marc, « *Le Trans-Saint-Laurent touche le fond* », Le Soleil, September 16, 2006.
[50] « *Espoir de relance pour la traverse Trois-Pistoles / Les Escoumins* », TVA Web site, October 19, 2006.
[51] « *Croisières de Noël* », La Presse, October 28, 2006.

Furthermore, we will have to wait until 2008 to see more cruise liners docking the La Baie area. Following the refusal of Alcan to hand over the Powel wharf, Port Saguenay believes the Lepage wharf will be able to accommodate possible cruise liners in Saguenay. All the same, based on port authorities' written notice, the refitting of the Lepage wharf will only be completed in 2007. Investments of 25 M$ will be required to expand and prepare the wharf.[52]

The installation of the cruise industry in Baie-Comeau will cost 45 million dollars

A study commissioned by Croisières Baie-Comeau and the town of Baie-Comeau estimates at 45 M$ the cost of installing the cruise industry in the town. The following elements were considered in the study: repairs of the federal wharf, construction of reception areas, refitting of the marina and other municipal infrastructure. The town hopes to receive nearly 100 000 visitors per year, which translates into annual economic repercussions of more than 10 M$. We should note that Baie-Comeau welcomed the first two liners this autumn. One of them the *MS Black Watch* has already confirmed it will return to Baie-Comeau next year.[53]

Gaspe makes ready to welcome cruise ships

Gaspe aims to have its own place in the cruise industry in Quebec. The Gaspe tourist and congress office considers the Gaspe peninsula offers tourist sights of interest to people on cruises: the park on Île-Bonaventure-and the Percé Rock, the Gaspe park, the Forillon Park, etc. Already by autumn, Gaspe had welcomed two cruise ships.[54]

Dredging work in the North Shore ports wishing to accommodate cruise boats

The cruise industry is considering imposing the standard of 9.5 metres ship draft in ports where cruise ships dock. For the moment, no port in the North Shore meets this standard. According to Transport Canada, light dredging work will be necessary on the surface in Baie-Comeau. In Havre-Saint-Pierre, the Port Authority considers the projected dredging work will be enough to attract cruise liners. As for Sept-îles, people in charge of the file on accommodating the cruise ships continue examining where and how these large vessels can dock. Finally, only vessels of 7 metres ship draft will be able to dock in the wharf at Blanc-Sablon.[55]

Cruises on the Saint Lawrence – The towns get organized

Nine Quebec towns are currently working to develop a stop-over network to attract international cruises on the Saint Lawrence. Montreal, Quebec, Baie-Comeau, Sept-Îles, Havre-Saint-Pierre, Trois-Rivières, Saguenay, Gaspé-Percé and the Magdalen Islands are joining forces to put forward joint marketing. In the opinion of the Quebec Cruise Association, this initiative is a vital element for the development of this industry on the Saint Lawrence. The cruise lines do not choose a stop-over port, but rather a destination.

Moreover, *Tourisme-Québec* is currently working on a development plan which will specify the investments required from the governments of Quebec and Canada, as well as from the municipalities, in order to be equipped with the necessary port infrastructure to welcome cruise ships.[56]

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[52] *« Baie des Ha! Ha! – Les bateaux de croisières se succéderont cet automne »*, Radio-Canada Web site, September 4, 2006.
[53] Paradis, Steeve, *« Baie-Comeau en est à ses derniers préparatifs »*, Le Soleil, September 23, 2006.
[54] *« Gaspé souhaite se tailler une place »*, Radio-Canada Web site, September 27, 2006.

[55] *« Croisières – Maux de tête pour les administrations portuaires »*, Radio-Canada Web Site, November 7, 2006.
[56] *« Croisières sur le Saint-Laurent »*, Radio-Canada Web site, November 10, 2006.

COMMENTS

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